GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2995
ANSWERED ON:02.08.2002
SCRUTINY OF BALANCE SHEETS
BALIRAM

Will the Minister of FINANCE be pleased to state:

(a) whether attention of the Government has been drawn to the news-item captioned `DCA may start random scrutiny of balance sheets` appeared in the `Hindustan Times` dated June 28, 2002;

(b) if so, the facts of the matter reported therein;

(c) whether the Government are framing guidelines to ensure that the internal Auditors are appointed only for a period of three years with any corporate house; and

(d) if so, the details thereof?

Answer

MINISTER OF FINANCE & COMPANY AFFAIRS (SHRI JASWANT SINGH)

(a) & (b) The Department already carries out technical scrutiny of Balance Sheets, at random.

(c) & (d) The Companies Amendment Bill, 1997 contains a proposal whereby a Company will be required to change its auditor after a period of five years.